

## CAPITAL BUDGET

The Capital Improvements Program (CIP) of the City of Albuquerque provides for the purchase, rehabilitation, and development of properties or systems to enhance the physical development of the city. The Decade Plan presents the capital projects planned for the next ten years. This Plan is reviewed and updated biennially. A complete Decade Plan and Capital Budget may be requested from the Capital Implementation Division of the Department of Finance and Administration.

In general the CIP program consists of three major categories: The General Obligation Bond Program (GO Program); the Enterprise Fund Capital Program; and the Urban Enhancement Trust Fund (UETF). Additional sources of capital may come from special taxes or from gross receipts revenue bonds. In fiscal year 2000 voters approved a quarter cent transportation tax and gross receipts tax revenues were pledged in support of downtown revitalization. The purposes of these taxes will be described below. In many cases, the City's funding for these projects are matched with federal contributions, state contributions, or private assessments. Matching funds include those from the Federal Highway Administration, Federal Aviation Administration, Environmental Protection Agency, Community Development, Economic Development Administration, State Highway and Transportation Department, and special assessment districts.

### G.O. PROGRAM

Major capital improvements for the City of Albuquerque are funded primarily with general obligation bonds and revenue bonds. General obligation bonds may be used to finance any capital improvement approved by the voters. These bonds are called "General Obligation" because the City's General Fund income, including taxes on real and personal property, is pledged to the payment of principal and interest of the bonds. These taxes are self-imposed by the voters on all taxable property within the City. The City's property tax rates have remained constant, with no increases, throughout the 1997, 1999, and 2001 GO Bond Program.

The City has a policy of funding CIP projects through the issuance of GO bonds payable over a ten-year period. This relatively rapid debt retirement schedule increases the future bonding capacity of the program and is looked upon favorably by the bond rating agencies. The City's current GO bond ratings are of high investment grade level and are as follows: "Aa3" by Moody's Investors Service, Inc.; "AA" by Standard and Poor's Corporation; and "AA" by Fitch Investors Service. The size of the CIP program is dependent upon the available bonding capacity within the constraints of tax revenue.

Every two years, an election is held and the voters decide what projects should be funded. The City Council approved the most recent GO bond program at \$131.6 million in April 2001. The projects were submitted and approved by voters in 11 ballot questions at the October 2001 General Election. All ballot questions were also approved in the general election held in October of 1997 and 1999. The 1997 issue totaled \$90.1 million and the 1999 issue totaled \$101.6 million. The increase in the size of the GO Program for 2001 is due to the large property value reassessment in 1999. The categories, with some detail of ballot questions, are listed below for all years. Each question includes the One-Percent for the Arts Program that is a program set up to assure funding for the arts and beautification programs for each category.

The voters must approve GO bonds by purpose, such as the "storm sewer bond" or "fire protection bond," etc. The purposes must be stated so that the voters have the option of approving one purpose and not another. Once approved, the funds must be used for that purpose only. The following table lists major projects by these categories for the 1997, 1999, and 2001 GO bond programs.

If the City Council feels that a specific project within a defined purpose is no longer in the best interest of the City, it may reprogram those funds to another project *within that same purpose*, upon a majority vote of the City Council at a public hearing.

The process of selecting projects to be funded through GO bonds begins with determination of criteria for selecting projects. At the beginning of each two-year bond cycle, the City Council determines the criteria to be used in rating and ranking each project. The criteria for the upcoming 2003 GO Bond Program includes rehabilitation and protection of capital assets, impact on operating budget, public safety, enhancement of existing assets or areas of the City, economic and community vitality, and implementation of plans or legal mandates.

MAJOR PROJECTS FOR GO BOND PROGRAM Grouped by Eleven Purposes for Election			
	Approved 1997	Approved 1999	Approved 2001
<b>Street Bonds</b>			
West Central Avenue Street scape	1,000,000	2,000,000	
Major Street Rehabilitation	4,500,000	5,900,000	5,900,000
Coors Widening	750,000	2,000,000	
Unser Blvd		1,000,000	2,000,000
Gibson Blvd Reconstruction			3,000,000
Eubank South			4,500,000
Zoo Access			1,000,000
Infill and Community Vitality Projects			3,000,000
Montano Road(ROW and construction)	5,000,000		
Uptown - City Share of I-40 Louisiana interchange	2,000,000		
Paseo Del Norte East	1,000,000		
Trails and Bikeways	1,196,000	1,225,000	2,357,000
Neighborhood Set-aside	2,000,000	2,700,000	
Other General Street Work	11,534,000	16,540,000	26,792,791
<b>Total Streets</b>	<b>28,980,000</b>	<b>31,365,000</b>	<b>48,549,791</b>
<b>Storm Sewer System Bonds</b>			
West Mesa Diversion	1,000,000	1,300,000	
Balloon Fiesta Park			1,000,000
Osage/La Media Pump Station	2,000,000	1,000,000	
Amole de Norte Phase III		1,000,000	
South Broadway/ San Jose Rehab		1,600,000	
South Eubank Storm Drain		1,000,000	2,000,000
Infill and Community Vitality Projects			2,000,000
Domingo Baca Arroyo		1,000,000	
Avienda Cesar Chavez Storm Drain	1,400,000		
Montano Storm Drain	2,000,000		
All Other Storm Drain Work	4,710,000	4,360,000	10,044,657
<b>Total Storm Sewer System</b>	<b>11,110,000</b>	<b>11,260,000</b>	<b>15,044,657</b>
<b>Parks and Recreation Bonds</b>			
West Mesa Indoor Pool	2,250,000		
West Mesa Aquatic Center		2,000,000	250,000
Soccer Fields & Baseball Fields at Balloon Fiesta Park		1,500,000	
Neighborhood Set-aside	2,000,000	2,700,000	
Redevelopment of Old Albuquerque High School		3,000,000	
Balloon Park Development	1,000,000	1,000,000	
Swimming Pool Renovations			3,000,000
Open Space Facilities and Renovations			1,750,000
Park Development			7,414,000
Park Renovations	3,250,000	3,385,000	5,000,000
Monzano Mesa Multi-generational Park Complex		700,000	
Skate Park Facility	250,000		100,000
All other Parks & Recreation	4,055,000	2,425,000	5,620,560
<b>Total Parks and Recreation</b>	<b>12,805,000</b>	<b>16,710,000</b>	<b>23,134,560</b>

MAJOR PROJECTS FOR GO BOND PROGRAM Grouped by Eleven Purposes for Election			
	Approved 1997	Approved 1999	Approved 2001
<b>Fire Protection Bonds</b>			
Fire Vehicles		3,000,000	2,500,000
New Fire Station 21		2,170,000	
New Fire Station 20	1,300,000		
Fire Apparatus	1,000,000		
Station Rehab	750,000		
Relocate Fire Station 5			2,000,000
All other Fire	285,000	1,080,000	802,500
<b>Total Fire Protection</b>	<b>3,335,000</b>	<b>6,250,000</b>	<b>5,302,500</b>
<b>Facilities and Equipment Bonds</b>			
e-Government program			2,000,000
Downtown Core-land, building and ancillary costs for housing	1,000,000	1,000,000	
Crime Prevention Through Environmental Design		630,000	
Replacement of Mission Critical Computer Systems		1,500,000	
Expand City Computer Network	800,000		
Replace telecomm. switching equip. and software	800,000		
Year 2000 Software Conversion Project	800,000		
Renovate KiMo Theatre	1,000,000		
Renovate Animal Services Facility	1,000,000		200,000
All other Facilities and Equipment	2,175,000	4,530,000	2,143,000
<b>Total Facilities and Equipment</b>	<b>7,575,000</b>	<b>7,660,000</b>	<b>4,343,000</b>
<b>Police Bonds</b>			
Police Vehicles	3,000,000	4,000,000	3,000,000
Phase III of Automated Fingerprint Identification	1,000,000		500,000
Fifth Area Command Substation	1,500,000		
Automation-Data Warehouse		1,000,000	
Mini Substation	500,000		
Mobile Data Computer Application			1,500,000
All Other Police	110,000	355,000	302,500
<b>Total Police</b>	<b>6,110,000</b>	<b>5,355,000</b>	<b>5,302,500</b>
<b>Library Bonds</b>			
Books/Media	2,000,000	2,000,000	3,000,000
Erma Fergusson Branch Expansion		500,000	200,000
Alamosa Branch Library		500,000	
Automation	500,000		500,000
Complete Construction of Harper Barstow Library	350,000		
Library Building Renovations			1,700,000
All other Library	230,000	585,000	54,000
<b>Total Library</b>	<b>3,080,000</b>	<b>3,585,000</b>	<b>5,454,000</b>

MAJOR PROJECTS FOR GO BOND PROGRAM Grouped by Eleven Purposes for Election			
	Approved 1997	Approved 1999	Approved 2001
<b>Museum Bonds</b>			
Balloon Museum			4,100,000
Museum Development-Expansion	500,000	5,000,000	1,000,000
Collection Development	500,000		200,000
All Other Museum	10,000	50,000	73,200
<b>Total Museum</b>	<b>1,010,000</b>	<b>5,050,000</b>	<b>5,373,200</b>
<b>Transit Bonds</b>			
Bus Replacement and Expansion	1,000,000	1,750,000	2,000,000
West Side Transit facility	2,250,000	1,500,000	500,000
Park and Ride Facilities			677,200
High Capacity Transportation System Study (HCT)			500,000
Federal Fund Match for: buses/west side/HCT			1,000,000
Montgomery Park & Ride		560,000	
7-BAR Development		500,000	300,000
Uptown Transit Center	250,000	500,000	
Computerized systems	500,000		
Southside Facility Upgrades		500,000	
All Other Transit	240,000	100,000	541,642
<b>Total Transit</b>	<b>4,240,000</b>	<b>5,410,000</b>	<b>5,518,842</b>
<b>Biological Park Bonds</b>			
Animals of Africa-Phase I and II	2,000,000	1,600,000	1,600,000
Tropical America		1,000,000	
Australian Exhibit phase II			
Special Gardens	600,000		
All Other Biological Park	835,000	330,000	1,430,000
<b>Total Biological Park</b>	<b>3,435,000</b>	<b>2,930,000</b>	<b>3,030,000</b>
<b>Senior, Family and Community Center Bonds</b>			
East San Jose Community Center		1,500,000	500,000
John Marshall Center		1,000,000	300,000
Southeast Heights Senior Center	1,000,000	2,300,000	
Community Centers Expansion/Enhancement	4,022,000		
Manzano Mesa Center/Joint Use Facility-police, parks	1,500,000		500,000
Taylor Ranch Multigenerational Center			5,300,000
Center Renovations	1,231,000		3,949,950
All Other Centers	682,000	1,280,000	
<b>Total Centers</b>	<b>8,435,000</b>	<b>6,080,000</b>	<b>10,549,950</b>
<b>Total G.O. Bond Program</b>	<b>90,115,000</b>	<b>101,655,000</b>	<b>131,603,000</b>

## CAPITAL BUDGET PLANNING

Public meetings are held to explain the CIP process and solicit neighborhood input. City departments present projects, to internal groups for review and ranking according to the selection criteria. The Mayor approves the proposals and a public hearing is held before the Environmental Planning Commission (EPC). At the Mayor's discretion, changes are made and the plan is transmitted to the City Council in January or February of each odd-numbered year. The City Council holds public meetings, approves the capital program and prepares ballot questions for the October election.

### CAPITAL BUDGET CALENDAR OF EVENTS FOR CURRENT CAPITAL PLANNING CYCLE (2002-03)

2002		2003	
APRIL	- Guidelines/Project Rating Criteria approved by City Council Finance Committee.	JAN	-- Plan transmitted to Council by Mayor.
MAY	- Guidelines/Project Rating Criteria approved by full Council.  Applications due for Urban Enhancement (UE) and Neighborhood G.O. proposals.	FEB	-- Public hearings (Council Committee).
JULY	- Project request forms turned in to CIP division.	MAR	-- Full Council public hearings and Final Approval of Decade Plan.
AUG	- Rating and ranking of G.O. requests. - UETF Committee receives Urban Enhancement applications.	OCT	-- G.O. Bond Election
SEP/OCT	- Departmental presentations of program requests made to CIP Committee.		
NOV	- Final G.O. Bond Program/Decade Plan recommendations to Mayor.		
DEC	- Funding proposals approved by Mayor and transmitted to the EPC. Public Hearings by the EPC. Changes to the G.O. Bond Program/Decade Plan based on EPC comments (Mayor's discretion).		

## MAJOR CAPITAL PROJECTS

Several projects in the GO program stand out in size and importance to the community. Certain streets projects like Eubank Boulevard South are intended to stimulate economic development in an area. That project involves widening a stretch of Eubank Boulevard from Central Avenue to the Eubank entrance of Kirtland Air Force Base (KAFB) from 4-lanes to 6-lanes to include sidewalks, landscaping and on-street bike lanes. The improvements will support quality development of the Sandia Science and Technology Park and improve access conditions for the region's major employers: KAFB and Sandia National Labs.

In the Cultural area, design work is nearly complete on the \$8.5 million expansion of the Albuquerque Art Museum which will add nearly 40,000 square feet of community galleries, meeting space, a gift shop, and outdoor sculpture gardens. The BioPark received \$5.2 million in G.O. money for phases I and II of the Animals of Africa project. The project includes tearing down old chain link exhibits and providing visitors an exciting view of the African Continent. A buffer zone will also be created for the neighbors of the Zoo. Substantial construction for the \$9.5 million Explora Science Center and Children's Museum near Old Town was completed in March of 2002. The 38,500 square foot facility will operate under a public/private partnership between the City of Albuquerque and the non-profit corporation called "Explora." Once the final design and construction of the exhibits is complete, the facility is expected to open in the summer of 2003. Ground breaking for the Anderson/Abruzzo Albuquerque Balloon Museum located at Balloon Fiesta Park is expected to happen before

the start of the 2002 Balloon Fiesta.

A final major project that is a key part of downtown revitalization is the redevelopment of the Old Albuquerque High School. The building is being converted into residential lofts. The first phase of the redevelopment of this historic building was completed in March 2002. The second phase is underway and should be completed by year-end. This phase includes an adjacent parking structure, scheduled for completion by the fall of 2002.

## OPERATING AND MAINTENANCE COSTS OF G.O. PROGRAM

Generally, the capital program affects the operating budget by increasing operating costs as new or enhanced projects are added to the City. In some cases, adding more efficient equipment reduces operating costs. Due to the time it takes to plan and complete major capital projects, the operating impacts may not take place until two or three years after voters approve the projects. Additionally some projects are phased in and have bond funding across several CIP program years. Incremental operating funding for capital projects coming-on-line are detailed in the "Budget Highlights" section of each department narrative. For the General Fund, capital projects coming-on-line resulted in \$2.6 million in additional operating costs in FY03.

## ENTERPRISE PROGRAM

The enterprise capital program consists of capital purchases needed for the enterprise funds: Aviation, Water/Wastewater, and Solid Waste Management. Revenue bonds are sold to pay for these projects; therefore, no voter approval is needed. The money for projects is generated by fees paid for the services provided by the enterprise with a pledge against the net revenues of the respective system. As with the GO. bond program, there are matching grant funds available for programs. The following is a list of major capital projects expected for the enterprise funds.

ENTERPRISE CAPITAL PLANS-From 2001-2011 Decade Plan					
	FY/02	FY/03	FY/04	FY/05	FY/06
<b>Aviation</b>					
Land Acquisition	3,000,000	-	-	-	1,000,000
Facility Improvements	-	-	2,200,000	-	-
New Public Parking Structure	-	-	21,346,000	20,000,000	-
New Terminal Building	-	-	40,000,000	40,000,000	40,000,000
New Terminal Building Roadway	-	-	12,000,000	53,000,000	53,000,000
Runway Extension at Double Eagle II	-	-	17,983,000	-	-
Expansion of Cargo Building & Apron	-	-	-	17,545,000	-
General Aviation Apron	-	-	-	2,859,000	3,816,000
Terminal Building Apron	-	-	-	-	4,452,000
<b>Total Aviation</b>	<b>3,000,000</b>	<b>-</b>	<b>93,529,000</b>	<b>133,404,000</b>	<b>102,268,000</b>
<b>PUBLIC WORKS</b>					
<b>Wastewater</b>					
Pre-Decade Plan Projects	6,479,000	-	-	-	-
Odor Control	1,250,000	1,000,000	-	-	700,000
Treatment Plant Renovation	5,256,000	200,000	1,500,000	700,000	1,800,000
Sewer Rehab and Replacement	2,485,000	6,220,000	6,960,000	7,300,000	10,780,000
Other Projects	1,721,000	1,605,000	1,130,000	1,205,000	2,105,000

ENTERPRISE CAPITAL PLANS-From 2001-2011 Decade Plan					
	FY/02	FY/03	FY/04	FY/05	FY/06
<b>Total Wastewater</b>	<b>17,191,000</b>	<b>9,025,000</b>	<b>9,590,000</b>	<b>9,205,000</b>	<b>15,385,000</b>
<b>Water</b>					
Pre-Decade Plan Projects	9,889,000				
Water Resources Strategy	12,380,000	13,000,000	48,000,000	61,000,000	50,200,000
Line and facility renovation and rehab	7,863,000	10,200,000	8,600,000	10,200,000	9,200,000
AWOMS/SCADA	2,459,000	3,700,000	3,500,000	1,500,000	800,000
Misc.	2,241,000	3,375,000	3,030,000	2,625,000	2,585,000
Wells Pump Stations etc.	231,000	6,200,000	9,100,000	11,400,000	7,900,000
<b>Total Water</b>	<b>35,063,000</b>	<b>36,475,000</b>	<b>72,230,000</b>	<b>86,725,000</b>	<b>70,685,000</b>
<b>Solid Waste</b>					
Vehicle Replacement	4,100,000	4,250,000	4,250,000	4,750,000	4,750,000
Cero Colorado New Cell	300,000	360,000	360,000	360,000	360,000
Landfill Remediation	606,000	606,000	606,000	606,000	606,000
Automated Recycling System	-	-	4,000,000	-	-
Cero Colorado Road Construction	-	-	1,100,000	-	-
Intermediate Processing	-	-	3,500,000	-	-
<b>Total Solid Waste</b>	<b>5,006,000</b>	<b>5,216,000</b>	<b>13,816,000</b>	<b>5,716,000</b>	<b>5,716,000</b>
<b>Parking Facilities</b>					
Parking Facilities Rehab	300,000	400,000	100,000		
Operating Equipment	150,000	100,000	-		
Maintenance Equipment	130,000	-	-		
<b>Total Parking</b>	<b>580,000</b>	<b>500,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>





## **URBAN ENHANCEMENT TRUST FUND**

A trust was set up with funds the City received as part of a settlement with the Federal Government for payments of gross receipts tax. The Fund is primarily used for beautification and improvements to communities; it is also used to support cultural events. The process for recommending programs is similar to the G.O. Program. A separate committee, the Urban Enhancement Trust Fund Committee, reviews proposals followed by review by the appropriate department. After forwarding to the Mayor it becomes part of the Decade Plan. For the current two-year cycle the fund has over \$1 million (\$503 thousand in capital projects and \$537 thousand for cultural events). Examples of current capital projects include: median landscaping beautification and enhancement of schools and parks and development and restoration of memorials. Examples of current cultural projects include: seniors programs, genealogical resources, music, theater and festivals. The cultural programs are also supported by in-kind and cash contributions from the City.

## **QUARTER CENT TRANSPORTATION TAX**

In October 1999 voters approved a quarter cent in gross receipts tax to fund road infrastructure, transit, and bicycle/walking trails. This tax will be in place for ten years and raise approximately \$25 million annually. The money is designated for the following: 64% for streets (rehabilitation, deficiencies, and missing links); 20% for transit operations; 12% for street maintenance; and 4% for recreational trails. These funds are intended to supplement the GO bond streets program. The roads portion is intended to repair and improve the road structure within the older parts of the City. Many bicycle trails will be added to the existing trail system - some independent of the roadway system and some bike lanes added on existing or improved roadways. Additional money will be provided for increased bus services.

## **GROSS RECEIPTS TAX REVENUE BONDS**

In FY/00, \$25 million worth of Gross Receipts Revenue Tax Revenue Bonds were issued for the construction of parking structures in the downtown area. As a major public/private partnerships aimed at revitalizing downtown, the bonds were issued as taxable bonds, since some of the functions are in support of private enterprises and cannot qualify for tax-exempt status. The three major parking structures are associated with the Alvarado Center Movie Complex, the renovation of the Old First National Bank Building on Central Avenue, and the Old Albuquerque High School project. The Alvarado Center Movie Complex parking structure was built across from the Alvarado Transportation Center to provide parking for the downtown movie theater and adjacent retail stores. The Old First National Bank Building parking structure was originally going to provide spaces for a new hotel planned in the remodeled bank. Funding for that project fell through and the old bank will now be converted to condominiums and lofts. The adjacent La Posada Hotel and the future residents of the condominiums and lofts will use the parking structure, now complete. The remodeling of the Old Albuquerque High School is a project receiving partial funding from the GO bond program and was described in that section. The third parking structure will provide parking spaces for residents and patrons of that project,

## **STADIUM BONDS**

In May of 2001 voters approved issuance of \$10 million in General Obligation Taxable Bonds to renovate the existing City Baseball Park to bring it up to the Pacific Coast Leagues Triple-A standards. The Albuquerque Duke's, a Triple-A farm club for the Los Angeles Dodgers, played ball in this stadium for 29 years. The team was purchased and moved to Portland Oregon for the 2001 season. The current owners of the Calgary Cannons, a Triple-A team in Calgary, have signed an agreement to bring the team to play in the renovated sports stadium in 2003. The expected cost of the renovation is \$25 million. A \$15 million loan was provided by the New Mexico Finance Authority to make up the shortfall. The loan will be paid off from revenue the City will receive from leasing the stadium and from a surcharge on revenues. To allow the surcharge, the state legislature exempted stadium revenues from the gross receipts tax, allowing the surcharge to replace it. When the bond ordinance was passed it was the City's intent to use interest earning on the bond proceeds to make the initial debt payments. Beginning in FY/03, those earnings will be exhausted and these bonds will require an ever-increasing subsidy from the General Fund.